

# TRANSFER TO SCHOOL FUND

## DESCRIPTION

The Chesterfield County Public School system, with more than 53,270 students, is among the 100 largest school divisions in the nation. The division is guided by an elected five member board that has adopted four core values: respect, responsibility, honesty, and

accountability, which set the tone for meaningful learning. The county school system is supported largely by local funds. The transfer to schools is the single largest expenditure category in the county budget.

## FINANCIAL ACTIVITY

	<b>FY2002 Actual</b>	<b>FY2003 Adopted</b>	<b>FY2004 Planned</b>	<b>FY2004 Adopted</b>	<b>Change FY2003 to FY2004</b>	<b>FY2005 Projected</b>	<b>FY2006 Projected</b>	<b>FY2007 Projected</b>
State Sales Tax	\$34,637,480	\$36,156,700	\$38,453,300	\$35,155,400	-2.8%	\$35,155,400	\$35,249,300	\$35,601,800
Debt / Operating	166,834,344	178,985,400	186,749,600	188,174,300	5.1%	197,884,400	207,605,100	217,424,700
CIP Reserve	6,485,200	6,885,100	7,470,700	7,470,700	8.5%	7,470,700	7,470,700	7,470,700
Comprehensive Services	<u>635,000</u>	<u>823,500</u>	<u>923,500</u>	<u>883,500</u>	7.3%	<u>883,500</u>	<u>883,500</u>	<u>883,500</u>
<b>Subtotal</b>	208,592,024	222,850,700	233,597,100	231,683,900	4.0%	241,394,000	251,208,600	261,380,700
Use of Rsvs/Prior Years	3,822,400	6,090,000	0	2,998,000	-50.8%	0	0	0
Grounds Maintenance	1,364,200	1,462,200	1,513,400	1,502,400	2.7%	1,555,000	1,609,400	1,665,700
Governor's School	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	0.0%	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
<b>Subtotal</b>	213,978,624	230,602,900	235,310,500	236,384,300	2.5%	243,149,000	253,018,000	263,246,400
Non-Transferred Expense	<u>4,545,500</u>	<u>4,677,700</u>	<u>4,677,700</u>	<u>2,438,500</u>	-47.9%	<u>2,438,500</u>	<u>2,438,500</u>	<u>2,438,500</u>
<b>Total</b>	\$218,524,124	\$235,280,600	\$239,988,200	\$238,822,800	1.5%	\$245,587,500	\$255,456,500	\$265,684,900

## BUDGET ANALYSIS AND EVALUATION

The transfer to schools (net of non-transferred expenditures) is \$236,384,300 for FY2004, an increase of \$5,781,400 or 2.5% over the FY2003 adopted level. The county transfer to schools is comprised of the following: state sales tax anticipated to be received by the county (based on average daily membership in schools), debt service and other operating expenses, transfer to the reserve for future capital improvements, transfer to the comprehensive services fund, and transfer for grounds maintenance. The transfer for mail delivery and warehouse services is included with debt/operating expenses.

Each of these categories is itemized in the financial activity section above.

The net tax transfer to schools, based on a tax rate of \$1.07, has been formulated based on a revised methodology which was first used in FY1999. The revised methodology compares growth in school enrollment to growth in the total population. Prior to FY1999, the local transfer to schools was a set percentage of net property taxes rather than a percentage based on this comparison.

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Also included in this transfer figure are detailed costs for services that are either performed by and paid for in the general fund or for donations

made on behalf of schools that are directly paid for in the general fund. Some of the services performed by county departments are as follows:

Fire Safety Education Program performed in schools	\$ 265,100
School Health Nurses	52,200
Prevention school-based programs provided by the Dept. of MH/MR/SA (pre-school screenings, assistance in development of specialized education programs, and teacher training and consultations)	60,800
Public Library staff services provided at school sites as well as school groups visiting the libraries (estimated 205 programs for over 23,173 students)	17,800
Donations/contracts for in-house concerts, volunteer services, museums, etc.	176,500
Administrative services provided beyond those that are charged (i.e. use of financial and payroll systems, services provided by the Treasurer's Office, etc.). These costs are detailed in the county's FY2002 annual cost allocation plan.	<u>\$1,866,100</u>
<b>TOTAL</b>	<b>\$2,438,500</b>

Annually, the county funds numerous items and programs which either directly or indirectly benefit county schools and students. Some of these items are described below.

The FY2004 county budget funds a donation of \$21,000 to Virginia State University and \$8,400 to Richard Bland College for scholarship programs that would directly benefit Chesterfield County students. The FY2004 budget also includes a \$16,800 donation for the YMCA Harrowgate Elementary after school program, \$21,000 for the Science Museum (to defray the cost of development of SOL-based physical sciences galleries, teacher training, and internships), and \$6,300 for the Children's Museum of Richmond (defray cost of 500 passes for county school groups and for SOL-based exhibits). Also included in FY2004 is \$48,700 for various museums, and for arts and cultural related organizations to offset the cost of SOL-based historical exhibits and interactive programs for at-risk youth, and for in-school performances. The FY2004 budget funds \$4,200 for

the Virginia Historical Society to assist with costs of educational programs and workshops for students and teachers. The FY2004 budget also funds \$50,400 for the Maymont Foundation for admission-free, SOL-based cultural, historical, and environmental programs.

In FY2004 a \$200,000 contribution has been budgeted for the Governor's School. Chesterfield County has committed \$200,000 per year for the renovation of Maggie Walker High School, the home of the Governor's School. The county will also contribute \$75,000 for FY2004 (and agreed to an additional five-year commitment) to Virginia Commonwealth University's (VCU) School of Engineering. This additional five-year commitment will bring the total donation to \$1 million given for the VCU engineering school to boost regional education efforts.

An educational building recently completed at Henricus Historical Park includes classroom space

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to allow for interactive learning experiences for county school field trips. In FY2004 the county is funding annual operating (utility, telephone, etc.) costs of \$92,000. Thousands of school children visit the Henricus Historical Park each year.

Not included in the above total is an estimate for public library teacher cards and related items circulated for an estimated cost of \$110,944.

The FY2004 Community Development Block Grant Program includes funding of \$8,200 for an extended

day program for Bensley Elementary School for children in grades 1 and 2, and \$6,000 for an after school program at Chalkley Elementary. Also funded is \$20,000 for tutoring and educational programs at Falling Creek and Matoaca elementary Schools (provided thru the Boys and Girls Club of Richmond), \$10,000 for an after-school tutorial program at the Baptist Children's Home in Ettrick, and \$25,000 for the Communities in Schools program.

Below is a list of county services, which will be charged directly to the school operating fund in FY2004:

### **General Fund**

Accounting services	\$ 533,000
Audit fees	39,800
School Health Nurses	1,172,700
Purchasing services	134,400
Police - Child Safety Program	306,300
24 School Resource Officers (salaries/benefits, operating)	1,549,300
School Crossing Guards Program	99,100
Debt Service on new financial system	147,600
Information System Technology services	148,200
Grounds maintenance	<u>1,502,400</u>
<b>General Fund Total</b>	<b>5,632,800</b>

### **Other**

Risk Management	1,882,400
Fleet maintenance (estimate)	3,648,700
Radio maintenance	<u>71,400</u>
<b>Other Total</b>	<b><u>5,602,500</u></b>
<b>TOTAL</b>	<b><u>\$11,235,300</u></b>

Beginning in FY2004, schools will be funding the entire cost of the school resource officer program, the child safety program, and the school crossing guard program. The majority of the cost of the school health nurse program will also be shifted to schools as these programs directly benefit Chesterfield County students.

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## **WHERE ARE WE GOING?**

The general fund transfer to schools for FY2005 (net of ancillary services provided by county departments) is estimated at \$243,149,000 or 3% above FY2004; for FY2006 is \$253,018,000 or 4% above FY2005, and for FY2007 is \$263,246,400 or 4% above FY2006, respectively.

Projections for the general fund transfer include state sales tax anticipated to be received and a general property tax transfer (at the tax rate of \$1.07) which is based on the ratio of school enrollment as a percentage of population, net of tax relief for the elderly, and School's share of an increase to general fund balance (to maintain level at 7.5% of expenditures). Also included in the calculations is funding for debt service issued on VPSA bonds for six full-sized gyms and the John Tyler Community College, the transfer for postal/warehouse services,

and \$200,000 each year for the renovation of the Maggie Walker Governor's School.

The county's FY2005-FY2010 Capital Improvement Program recommends funding for various projects that will benefit the students in school as well as the community at large. Examples include: \$400,000 in FY2009 for development of a multi-purpose athletic field adjacent to Spring Run Elementary School; \$2,616,000 in school site improvements throughout the county; \$680,000 in FY2007 for the Midlothian High School sports complex upgrades/renovations; and \$400,000 in FY2007 for the Manchester Middle School sports complex upgrades/renovations. These facility upgrades will enhance each school site for use by the physical education programs as well as school-associated functions (football games, baseball games, etc.).